



# WASHOE COUNTY

"Dedicated To Excellence in Public Service"

www.washoecounty.us

CM/ACM KS  
Finance DN  
DA ✓  
Risk Mgt. DE  
HR N/A  
Other N/A

## STAFF REPORT

BOARD MEETING DATE: July 14, 2015

**DATE:** June 18, 2015  
**TO:** Board of County Commissioners  
**FROM:** Trevor Lloyd, Senior Planner,  
Community Services Department, 328-3620, [tlloyd@washoecounty.us](mailto:tlloyd@washoecounty.us)  
Vahid Behmaram, Water Management Planner Coordinator,  
Community Services Department 954-4647, [vbehmaram@washoecounty.us](mailto:vbehmaram@washoecounty.us)  
**THROUGH:** Dave Solaro, Arch., P.E., Director  
Community Services Department, 328-3600, [dsolaro@washoecounty.us](mailto:dsolaro@washoecounty.us)  
**SUBJECT:** Approve a Water Rights Deed with Assignment of Beneficial Interest to convey 125.00 acre feet of water rights held by Washoe County to the Reno Technology Park Water Company; and, approve a Water Rights Deed and Termination Agreement to re-convey 160.60 acre feet of water rights held by Washoe County to Stonefield, Inc.; and, approve a Water Rights Deed and Termination Agreement to re-convey the remaining 840.00 acre feet of water rights held by Washoe County to Patrick Properties, LLC. (Commission District 4).

### SUMMARY

Washoe County is holding title to 1,125.60 acre feet of permitted water rights under a Water Rights Banking Agreement with Stonefield Inc., a Nevada Corporation. Stonefield and Washoe County desire to return the water rights and terminate the Water Banking Agreement. Of the 1,125.60 acre feet of water rights, 125 acre feet of water rights were pledged to the Reno Technology Park project and need to be conveyed to the Reno Technology Park Water Company which will provide water service to the Apple Data Center. The remainder of the water rights will be re-conveyed to Stonefield, Inc. (160.60 acre-feet) and to Patrick Properties, LLC (840.00 acre-feet), under two separate Water Rights Deed and Termination Agreements. The conveyance to Patrick Properties, LLC, an affiliate of Stonefield, Inc., is due to the fact that Patrick Properties, LLC was the entity who originally deeded the water rights to Washoe County on behalf of Stonefield, Inc.

Strategic Objective supported by this item: Economic development and diversification.

### PREVIOUS ACTION

The Board of County Commissioners (Board) approved four separate water rights deeds and an "Agreement" with Stonefield Inc., which was executed by the Board Chair and recorded on May 22, 2008. This agreement is a water rights banking agreement whereby

AGENDA ITEM # 5F4

the County acknowledges receipt of 1,125.60 acre feet of permitted water rights and agrees to hold them for the benefit of Stonefield Inc. This agreement was executed in anticipation of future commercial and industrial developments within the Reno Technology Park, east of Sparks and in compliance with Article 422 of the Washoe County Development Code.

### **BACKGROUND**

Stonefield Inc. owns several hundred acres of land east of Sparks and North of Interstate Highway 80 commonly referred to as the Reno Technology Park. Commercial and Industrial development within this area would be subject to Article 422 of Washoe County Development Code. Banking of the water rights in 2008 was in anticipation of compliance with the County Code. At the time the agreement was signed, the Stonefield property was vacant and located within the Truckee Meadows Service Area (TMSA) of the Truckee Meadows Regional Plan. The property has since been removed from the TMSA. Furthermore, proposed amendments to County Code will exempt projects such as the Reno Technology Park from provisions of Article 422.

In 2012, Stonefield Inc. sold land to Unique Infrastructure Group (UIG) and as a part of that sale, assigned its beneficial interest in 125 acre feet of water rights to UIG. UIG obtained special use permits and developed the land as the Reno Technology Park and Sparks Energy Park and constructed what is now known as the Apple Data Center. To obtain approval for the building permit for the Apple Data Center, the beneficial interest in 125 acre feet of water rights from the Stonefield account was transferred by UIG to Apple Inc., who has pledged it to the water company to serve its data center.

Reno Technology Park Water Company is a non-profit corporation approved by the Nevada Public Utilities Commission. Apple Inc. has asked the County to transfer legal title to the 125 acre feet of water rights allocated to its data center to the water company in order to receive water service to their data center. The remainder of the banked water rights will be re-conveyed to Stonefield, Inc. (160.60 acre-feet) and to Patrick Properties, LLC (840.00 acre-feet) and the 2008 water banking Agreement will be terminated. The conveyance to Patrick Properties, LLC, an affiliate of Stonefield, Inc., is due to the fact that Patrick Properties, LLC was the entity which originally deeded the water rights to Washoe County on behalf of Stonefield, Inc.

### **FISCAL IMPACT**

There is no fiscal impact.

### **RECOMMENDATION**

It is recommended that the Board of County Commissioners approve a Water Rights Deed with Assignment of Beneficial Interest to convey 125.00 acre feet of water rights held by Washoe County to the Reno Technology Park Water Company; and, approve a Water Rights Deed and Termination Agreement to re-convey 160.60 acre feet of water rights held by Washoe County to Stonefield, Inc.; and, approve a Water Rights Deed and Termination Agreement to re-convey the remaining 840.00 acre feet of water rights held by Washoe County to Patrick Properties, LLC.

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: "Move to Approve a Water Rights Deed with Assignment of Beneficial Interest to convey 125.00 acre feet of water rights held by Washoe County to the Reno Technology Park Water Company; and, approve a Water Rights Deed and Termination Agreement to re-convey 160.60 acre feet of water rights held by Washoe County to Stonefield, Inc.; and, approve a Water Rights Deed and Termination Agreement to re-convey the remaining 840.00 acre feet of water rights held by Washoe County to Patrick Properties, LLC."

APN: N/A (Water Rights)

**WHEN RECORDED, MAIL TO:**

**Reno Technology Park Water Company**  
180 Country Estates Circle  
Reno, NV 89511

Notice: Per NRS 239B.030, this document does not contain personal information as defined in NRS 603A.040.

(Rev. 2/3/2015 #3)

**WATER RIGHTS DEED**  
**WITH ASSIGNMENT OF BENEFICIAL INTEREST**

**I.**  
**Recitals.**

**WHEREAS:**

A. WASHOE COUNTY, a political subdivision of the State of Nevada (“**County**”), received fee title to a certain 1,125.60 acre feet of permitted ground water rights via collective grants and conveyances from (i) TRI General Improvement District (Deed recorded as Document No. 3653028, Official Records, Washoe County, Nevada) on behalf and for the benefit of STONEFIELD, INC., a Nevada corporation (“**Stonefield**”), (ii) Patrick Properties LLC (Deed recorded as Document No. 3653031, Official Records, Washoe County, Nevada) on behalf and for the benefit of Stonefield, (iii) TRI Water & Sewer Co (Deed recorded as Document No. 3653030, Official Records, Washoe County, Nevada) on behalf and for the benefit of Stonefield, and (iv) Stonefield (Deed recorded as Document No. 3653029, Official Records, Washoe County, Nevada);

B. Stonefield and County entered into a certain water banking agreement with respect to such conveyed water rights, which agreement was recorded as Document 3653032, on May 22, 2008, Official Records, Washoe County, Nevada (the “**Stonefield Banking Agreement**”). The Stonefield Banking Agreement reserved to Stonefield an assignable beneficial interest to receive such water rights back from the County to the extent they have not been committed to back up a project “will serve” letter from the County.

C. In connection with the development of a project known as the Reno Technology Park east of Sparks, Nevada, Stonefield assigned a beneficial interest to 125 acre feet of water rights (from permits # 75838 and 75841 and more particularly described in **Exhibit “A”** hereto) to UNIQUE

INFRASTRUCTURE GROUP LLC, a Nevada limited liability company (“**UIG**”), under an “Assignment of Beneficial Interest In Water Rights Held by Washoe County” dated on or about October 22, 2012, which was acknowledged and agreed to by County; and UIG simultaneously assigned the same beneficial interest in 125 acre feet of water rights to APPLE INC. under an “Assignment of Beneficial Interest In Water Rights Held by Washoe County” dated on or about October 22, 2012, which was acknowledged and agreed to by County (collectively, the “**Apple Assignments**”);

D. RENO TECHNOLOGY PARK WATER COMPANY, a Nevada non-profit corporation (“**RTP Water Co.**”) was formed to provide water service to the Reno Technology Park, and the parties desire for County to transfer its legal title to the 125 acre feet of water rights described in **Exhibit “A”** attached hereto to RTP Water Co.; and in order to provide a merger of such conveyed legal title with the beneficial interest of APPLE INC. under the Apple Assignments, APPLE INC. desires to transfer all its beneficial interest in such water rights to RTP Water Co., and RTP Water Co. intends to use the 125 acre feet of water rights described in Exhibit “A” to provide water service to APPLE INC.

NOW THEREFORE, the parties convey and agree as follows:

## II Water Rights Deed

2.1 FOR A VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, County does hereby ASSIGN, CONVEY AND QUITCLAIM to RTP Water Co. (whose address is: 180 Country Estates Circle, Reno, Nevada 89511), all of County’s rights, title and interest in and to those certain waters and water rights under the permits as described in **Exhibit “A”** attached hereto and incorporated herein by this reference (the “Water Rights Interests”).

2.2 TOGETHER with the tenements, hereditaments and appurtenances, including easements, if any, thereto belonging or appertaining, and any reversions, remainders, rents, issues or profits thereof.

2.3 SUBJECT TO, HOWEVER, the Apple Assignments and any liens, conveyances and assignments granted or suffered by any prior owners of the Water Rights Interests or anyone with a beneficial interest in the Water Rights Interests; provided, however, that County warrants and represents that it has not conveyed or granted any prior conveyances or liens against its legal title, and is aware only of the conveyance of a beneficial interest to APPLE INC. as described above.

2.4 RTP Water Co. hereby accepts County’s conveyance of the Water Rights Interests, and agrees to prepare a report of conveyance and other documents required by the State Engineer in connection with such conveyance. If any recording fees or real property transfer taxes are

required for recording of this document, then RTP Water Co. agrees to pay them.

**III  
Assignment of Beneficial Interests  
(Apple Inc.)**

**3.1 APPLE INC., a California corporation, warrants, represents, agrees and conveys as follows:**

a. APPLE INC. still holds and has not conveyed, agreed to convey, or allowed or suffered any liens, transfers or conveyances upon or in the beneficial interest in the 125 acre feet of water rights assigned to it from UIG pursuant to the Apple Assignments.

b. APPLE INC. hereby quitclaims, assigns and conveys to RTP Water Co. all of APPLE INC.'s rights, title and interest in the beneficial interest held under the Apple Assignments, with the intent that the interest conveyed hereby merges in all respects with the legal fee title in the Water Rights Interest conveyed above by County to RTP Water Co.

**3.2 RTP Water Co. accepts APPLE INC.'s conveyance of its rights under the Apple Assignments in satisfaction of the Transfer Condition Requirement under the bylaws of RTP Water Co.**

**IV**

**General Terms**

**4.1 Documents/ actions of further assurance.** All parties agree to take all actions and execute all documents reasonably needed to accomplish the purposes hereof, including, but not limited to, any reports of conveyance (to be prepared by RTP Water Co.) or other documents required by the State Engineer.

**4.2 Counterparts/ recording.** This Water Rights Deed With Assignment of Beneficial Interest may be executed in counterparts and shall be recorded when the original of all counterpart signature pages are assembled together.

////////////////////////////////////Nothing follows on this page////////////////////////////////////

Water Rights Deed with Assignment of Beneficial Interest

Counterpart Signature Page

County:

WASHOE COUNTY, a political subdivision of the State of Nevada

By: \_\_\_\_\_

Date \_\_\_\_\_

Marsha Berkbigler, Chair  
Board of County Commissioners

Attest:

\_\_\_\_\_

Date \_\_\_\_\_

Nancy Parent, County Clerk

STATE OF NEVADA )

)ss. Acknowledgment in Representative Capacity

COUNTY OF WASHOE )

(NRS 240.1665)

This Instrument was acknowledged before me on \_\_\_\_\_  
by MARSHA BERKBIGLER, as Chair of the Board of County Commissioners of Washoe  
County, Nevada.

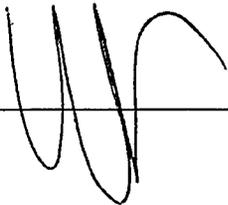
\_\_\_\_\_

Notary Public

Water Rights Deed with Assignment of Beneficial Interest

Counterpart Signature Page

APPLE INC., a California corporation

By  \_\_\_\_\_ Date 03/06/2015

STATE OF \_\_\_\_\_ )  
 )ss. Acknowledgment in Representative Capacity  
COUNTY OF \_\_\_\_\_ ) (NRS 240.1665)

This Instrument was acknowledged before me on \_\_\_\_\_  
by \_\_\_\_\_  
as \_\_\_\_\_  
of APPLE INC., a California corporation.

*SEE ATTACHED*

\_\_\_\_\_  
Notary Public

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of SANTA CLARA )

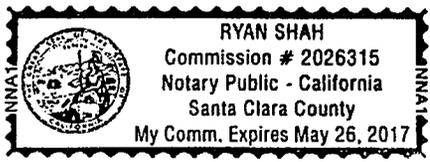
On MARCH 6, 2015 before me, RYAN SHAH, NOTARY PUBLIC  
Date Here Insert Name and Title of the Officer

personally appeared GENE DANIEL LEVOFF  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Handwritten Signature]  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_  
Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_ Signer's Name: \_\_\_\_\_  
 Corporate Officer — Title(s): \_\_\_\_\_  Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  Partner —  Limited  General  
 Individual  Attorney in Fact  Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_ Signer Is Representing: \_\_\_\_\_



**EXHIBIT "A"**

**Description of Water Rights Interests**

Portions of those waters and water rights under the following permits issued by and on file with the office of the State Engineer of the State of Nevada, Nevada Division of Water Resources:

<b><u>Permit Numbers:</u></b>	<b><u>Duty (Ac.FT.)</u></b>
75838	(formerly 67363) portion being 125.00 ac.ft. Total Combined Duty with 75841
75841	(formerly 66635) portion being 125.00 ac.ft. Total Combined Duty with 75838

\* \* \*

APN: N/A (Water Rights)

**WHEN RECORDED, MAIL TO:**

**Stonefield, Inc.**  
355 Boxington Way, Suite B  
Sparks, NV 89434

Notice: Per NRS 239B.030, this document does not contain personal information as defined in NRS 603A.040.

**WATER RIGHTS DEED AND TERMINATION AGREEMENT**

THIS INDENTURE AND AGREEMENT is by and between:

**“County”** Washoe County, a political subdivision of the State of Nevada  
P.O. Box 11130  
Reno, NV 89520  
Community Services Department (Dave Solaro)

**“Stonefield”** Stonefield, Inc., a Nevada corporation  
355 Boxington Way, Suite B  
Sparks, NV 89434

**I.  
Recitals.**

WHEREAS:

A. County received fee title to 1,125.60 acre feet of permitted ground water rights via collective grants and conveyances from (i) TRI General Improvement District (Deed recorded as Document No. 3653028, Official Records, Washoe County, Nevada, the **“TRIGID Deed”**) on behalf and for the benefit of Stonefield, (ii) Patrick Properties LLC (Deed recorded as Document No. 3653031, Official Records, Washoe County, Nevada, the **“Patrick Properties Deed”**) on behalf and for the benefit of Stonefield, (iii) TRI Water & Sewer Co (Deed recorded as Document No. 3653030, Official Records, Washoe County, Nevada, the **“TRI Water and Sewer Deed”**) on behalf and for the benefit of Stonefield and (iv) Stonefield (Deed recorded as Document No. 3653029, Official Records, Washoe County, Nevada, the **“Stonefield Deed”**);

B. Stonefield and County entered into a certain water banking agreement with respect to such conveyed water rights, which agreement was recorded as Document 3653032, on May 22, 2008, Official Records of Washoe County (the "**Stonefield Banking Agreement**"). The Stonefield Banking Agreement reserved to Stonefield an assignable beneficial interest to receive such water rights back from the County to the extent they have not been committed to back up a project "will serve" letter from the County.

C. In connection with the development of a project known as the Reno Technology Park east of Sparks, Nevada, Stonefield assigned a beneficial interest to 125 acre feet (from permits nos. 75838 and 75841) of water rights to UNIQUE INFRASTRUCTURE GROUP LLC, a Nevada limited liability company ("**UIG**"), under an "Assignment of Beneficial Interest In Water Rights Held by Washoe County" dated on or about October 22, 2012, which was acknowledged and agreed to by County; and UIG simultaneously assigned the same beneficial interest in 125 acre feet of water rights to APPLE INC. under an "Assignment of Beneficial Interest In Water Rights Held by Washoe County" dated on or about October 22, 2012, which was acknowledged and agreed to by County (collectively, the "**Apple Assignments**"). Contemporaneously with County's execution and delivery of this deed, County is transferring legal title to those 125 acre feet of water rights to the Reno Technology Park Water Company.

D. County and Stonefield desire to reconvey to Stonefield legal title of all water rights remaining to be held by County under the Stonefield Banking Agreement, subject to the below terms and provisions of this Water Rights Deed and Termination Agreement (all of such remaining water rights, the "**Remaining Water Rights**"), and terminate the Agreement. Those Remaining Water Rights originally conveyed to County by the Patrick Properties Deed are the "**Patrick Properties Water Rights**," and those Remaining Water Rights originally conveyed to County by the TRI Water and Sewer Deed and the TRIGID Deed are the "**TRI Water Rights**."

NOW THEREFORE, the parties convey and agree as follows:

## II Stonefield Water Rights Deed

2.1 FOR A VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, County does hereby ASSIGN, CONVEY AND QUITCLAIM to Stonefield, all of County's rights, title and interest in and to those certain waters and water rights and all rights under the permits described in **Exhibit "A"** attached hereto and incorporated herein by this reference, which are the TRI Water Rights.

2.2 TOGETHER with the tenements, hereditaments and appurtenances, including easements, if any, thereto belonging or appertaining, and any reversions, remainders, rents, issues or profits thereof.

2.3 SUBJECT TO, HOWEVER, the Apple Assignments, the rights and interest under which shall not merge with or otherwise be affected by the conveyance pursuant to Section 2.1 above, and subject to and further excepting from such conveyance any liens, conveyances and assignments granted or suffered by any prior owners of said water rights or anyone with a beneficial interest in said water rights; provided, however, that County warrants and represents that it has not conveyed or granted any prior conveyances or liens against its legal title, and is aware only of the conveyance of a beneficial interest to APPLE INC. pursuant to the Apple Assignments.

2.4 Stonefield hereby accepts the TRI Water Rights conveyed by this deed and agrees to prepare a report of conveyance and other documents as required by the State Engineer in connection with such conveyance. If any recording fees or real property transfer taxes are required for recording of this document, then Stonefield agrees to pay them.

### III

#### Termination of Stonefield Banking Agreement.

3.1 By separate deed being recorded concurrently herewith, the Patrick Properties Water Rights are being reconveyed directly to Patrick Properties LLC (the "**Patrick Properties Reconveyance Deed**"). Stonefield and County hereby agree that effective upon the recordation of this instrument and the Patrick Properties Reconveyance Deed, respectively, in Official Records, Washoe County, Nevada, the Stonefield Banking Agreement is and shall be deemed terminated in all respects, and that all obligations of all parties thereto have either been performed or are hereby discharged in full. Stonefield and County further agree that with the termination of the Stonefield Banking Agreement, Stonefield is obligated to and shall respect and honor the Apple Assignments and agrees to hold County harmless from any obligation to execute any documents or take any actions to preserve or enforce such assignments, and agrees to indemnify and defend County from any liability inuring to the holders of any beneficial interests, subject to the operation and effect of County's representations and warranties set forth in Section 2.3 above, the specific matters covered by such representations and warranties being excluded from Stonefield's obligations to indemnify, defend and hold County harmless pursuant to this Section 4.1.

### IV

#### General Terms

4.1 **Documents/ actions of further assurance.** Stonefield and County each agrees to take all actions and execute all documents reasonably needed to accomplish the purposes hereof, including, but not limited to, any reports of conveyance (to be prepared and filed by Stonefield) or other documents required by the State Engineer.

**4.2 Counterparts/ recording.** This Water Rights Deed and Termination Agreement may be executed in counterparts and shall be recorded when the original of all counterpart signature pages are assembled together.

/////////////////////////////////Nothing follows on this page////////////////////////////////

Water Rights Deed and Termination Agreement

Counterpart Signature Page

County:

WASHOE COUNTY, Nevada, a political subdivision of the State of Nevada

By: \_\_\_\_\_ Date \_\_\_\_\_  
Marsha Berkgigler, Chair,  
Board of County Commissioners

Attest:

\_\_\_\_\_ Date \_\_\_\_\_  
Nancy Parent, County Clerk

STATE OF NEVADA        )  
                                  )ss. Acknowledgment in Representative Capacity  
COUNTY OF WASHOE    )                                   (NRS 240.1665)

This Instrument was acknowledged before me on \_\_\_\_\_, 2015,  
by MARSHA BERKBIGLER, as Chair of the Board of County Commissioners of Washoe  
County, Nevada.

\_\_\_\_\_  
Notary Public



EXHIBIT "A"

Description of TRI Water Rights Interests

All of those waters and water rights under the following permits issued by and on file with the office of the State Engineer of the State of Nevada, Nevada Division of Water Resources:

<u>Permit Numbers:</u>	<u>Duty (Ac.FT.)</u>
75838	(formerly 67363) Portion being 160.60 ac.ft. Total Combined Duty with 75841
75841	(formerly 66635) Portion Being 160.60 ac.ft. Total Combined Duty with 75838

\* \* \*

Description Approved:

  
\_\_\_\_\_

Vahid Behmaram, Water Rights Manager

APN: N/A (Water Rights)

**WHEN RECORDED, MAIL TO:**

**Stonefield, Inc.**  
355 Boxington Way, Suite B  
Sparks, NV 89434

Notice: Per NRS 239B.030, this document does not contain personal information as defined in NRS 603A.040.

**WATER RIGHTS DEED AND TERMINATION AGREEMENT**

THIS INDENTURE AND AGREEMENT is by and among:

**“County”**                      Washoe County, a political subdivision of the State of Nevada  
P.O. Box 11130  
Reno, NV 89520  
Community Services Department (Dave Solaro)

**“Stonefield”**                 Stonefield, Inc., a Nevada corporation  
355 Boxington Way, Suite B  
Sparks, NV 89434

**“Patrick”**                     Patrick Properties, LLC, a Nevada limited liability company  
355 Boxington Way, Suite B  
Sparks, NV 89434

**I.  
Recitals.**

WHEREAS:

A. County received fee title to 1,125.60 acre feet of permitted ground water rights via collective grants and conveyances from (i) TRI General Improvement District (Deed recorded as Document No. 3653028, Official Records, Washoe County, Nevada, the **“TRIGID Deed”**) on behalf and for the benefit of Stonefield, (ii) Patrick Properties LLC (Deed recorded as Document No. 3653031, Official Records, Washoe County, Nevada, the **“Patrick Properties Deed”**) on behalf and for the benefit of Stonefield, (iii) TRI Water & Sewer Co (Deed recorded as Document No. 3653030, Official Records, Washoe County, Nevada, the **“TRI Water and**

**Sewer Deed**") on behalf and for the benefit of Stonefield and (iv) Stonefield (Deed recorded as Document No. 3653029, Official Records, Washoe County, Nevada, the "**Stonefield Deed**");

B. Stonefield and County entered into a certain water banking agreement with respect to such conveyed water rights, which agreement was recorded as Document 3653032, on May 22, 2008, Official Records of Washoe County (the "**Stonefield Banking Agreement**"). The Stonefield Banking Agreement reserved to Stonefield an assignable beneficial interest to receive such water rights back from the County to the extent they have not been committed to back up a project "will serve" letter from the County.

C. In connection with the development of a project known as the Reno Technology Park east of Sparks, Nevada, Stonefield assigned a beneficial interest to 125 acre feet (from permits nos. 75838 and 75841) of water rights to UNIQUE INFRASTRUCTURE GROUP LLC, a Nevada limited liability company ("**UIG**"), under an "Assignment of Beneficial Interest In Water Rights Held by Washoe County" dated on or about October 22, 2012, which was acknowledged and agreed to by County; and UIG simultaneously assigned the same beneficial interest in 125 acre feet of water rights to APPLE INC. under an "Assignment of Beneficial Interest In Water Rights Held by Washoe County" dated on or about October 22, 2012, which was acknowledged and agreed to by County (collectively, the "**Apple Assignments**"). Contemporaneously with County's execution and delivery of this deed, County is transferring legal title to those 125 acre feet of water rights to the Reno Technology Park Water Company.

D. County, Stonefield and Patrick desire to reconvey to Patrick legal title of all water rights remaining to be held by County under the Stonefield Banking Agreement pursuant to the Patrick Properties Deed, subject to the below terms and provisions of this Water Rights Deed and Termination Agreement (all of such remaining water rights, the "**Remaining Water Rights**"), and terminate the Agreement. Those Remaining Water Rights originally conveyed to County by the Patrick Properties Deed are the "**Patrick Properties Water Rights**," and those Remaining Water Rights originally conveyed to County by the TRI Water and Sewer Deed and the TRIGID Deed are the "**TRI Water Rights**."

NOW THEREFORE, the parties convey and agree as follows:

## II Patrick Water Rights Deed

2.1 FOR A VALUABLE CONSIDERATION, receipt and sufficiency of which are hereby acknowledged, County does hereby ASSIGN, CONVEY AND QUITCLAIM to Patrick, all of County's rights, title and interest in and to the Patrick Properties Water Rights as particularly described in **Exhibit "A"** attached hereto and incorporated herein by this reference.

2.2 TOGETHER with the tenements, hereditaments and appurtenances, including easements, if any, thereto belonging or appertaining, and any reversions, remainders, rents, issues or profits thereof.

2.3 SUBJECT TO, HOWEVER, the Apple Assignments, the rights and interest under which shall not merge with or otherwise be affected by the conveyance pursuant to Section 2.1 above, and subject to and further excepting from such conveyance any liens, conveyances and assignments granted or suffered by any prior owners of said water rights or anyone with a beneficial interest in said water rights; provided, however, that County warrants and represents that it has not conveyed or granted any prior conveyances or liens against its legal title, and is aware only of the conveyance of a beneficial interest to APPLE INC. pursuant to the Apple Assignments.

2.4 Patrick hereby accepts the Patrick Properties Water Rights conveyed by this deed and agrees to prepare a report of conveyance and other documents as required by the State Engineer in connection with such conveyance. If any recording fees or real property transfer taxes are required for recording of this document, then Patrick agrees to pay them.

2.5 Stonefield hereby expressly consents to the conveyance to Patrick pursuant to Section 2.1.

### III

#### Termination of Stonefield Banking Agreement.

3.1 By separate deed being recorded concurrently herewith, the TRI Water Rights are being reconveyed to Stonefield (the "**Stonefield Reconveyance Deed**"). Stonefield and County hereby agree that effective upon the recordation of this instrument and the Stonefield Reconveyance Deed, respectively, in Official Records, Washoe County, Nevada, the Stonefield Banking Agreement is and shall be deemed terminated in all respects, and that all obligations of all parties thereto have either been performed or are hereby discharged in full. Stonefield and County further agree that with the termination of the Stonefield Banking Agreement, Stonefield is obligated to and shall respect and honor the Apple Assignments and agrees to hold County harmless from any obligation to execute any documents or take any actions to preserve or enforce such assignments, and agrees to indemnify and defend County from any liability inuring to the holders of any beneficial interests, subject to the operation and effect of County's representations and warranties set forth in Section 2.3 above, the specific matters covered by such representations and warranties being excluded from Stonefield's obligations to indemnify, defend and hold County harmless pursuant to this Section 4.1.

### IV

#### General Terms

4.1 **Documents/ actions of further assurance.** Patrick and County each agrees to take all actions and execute all documents reasonably needed to accomplish the purposes hereof,

including, but not limited to, any reports of conveyance (to be prepared and filed by Patrick) or other documents required by the State Engineer.

**4.2 Counterparts/ recording.** This Water Rights Deed and Termination Agreement may be executed in counterparts and shall be recorded when the original of all counterpart signature pages are assembled together.

/////////////////////////////////Nothing follows on this page////////////////////////////////

Water Rights Deed and Termination Agreement

Counterpart Signature Page

County:  
WASHOE COUNTY, Nevada, a political subdivision of the State of Nevada

By: \_\_\_\_\_ Date \_\_\_\_\_  
Marsha Berkbigler, Chair,  
Board of County Commissioners

Attest:

\_\_\_\_\_ Date \_\_\_\_\_  
Nancy Parent, County Clerk

STATE OF NEVADA        )  
                                  )ss. Acknowledgment in Representative Capacity  
COUNTY OF WASHOE    )                                   (NRS 240.1665)

This Instrument was acknowledged before me on \_\_\_\_\_, 2015,  
by MARSHA BERKBIGLER, as Chair of the Board of County Commissioners of Washoe  
County, Nevada.

\_\_\_\_\_  
Notary Public





**EXHIBIT "A"**

**Description of Patrick Properties Water Rights Interests**

All of those waters and water rights under the following permits issued by and on file with the office of the State Engineer of the State of Nevada, Nevada Division of Water Resources:

<b><u>Permit Numbers:</u></b>	<b>Duty (Ac.FT.)</b>
54393	All
54394	All
75839 (formerly 66534)	All
75840 (formerly 66533)	All

\* \* \*

Description Approved:



Vahid Behmaram, Water Rights Manager